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PART ONE
OF TWO PARTS

VOLUME 42/NUMBER 8
AUGUST 1987

THIS ISSUE
BUSINESS: DELI
UNFOODS BUSINESS

FRESH MEAT MARKETING

**New Ways,
New Directions,
New Opportunities**

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SUPERMARKET BUSINESS

VOLUME 42
NUMBER 8

PART ONE
OF TWO PARTS

AUGUST 1987

FRESH MEAT MARKETING: NEW WAYS, NEW DIRECTIONS, NEW OPPORTUNITIES/BOB HUGHES **27**

Innovations in meat marketing, such as precooked fresh meat and case-ready cuts, continue to be strong. More than ever, retailers and packers are proving that meat can be sold as more than a commodity. It can fit in with today's lifestyles.

HOW TO FLOP WITH A HIGH-SERVICE STORE **33**
CAROL FENSHOLT, ASSOCIATE PUBLISHER

High service can be a disaster if the employees are not trained properly. Today's service departments can contain tomorrow's monumental shrink if the product can't be moved.

CANADA, PART III: THE CHAINS, CONTINUED **37**
BOB HUGHES & KEVIN COUPE

In this continuing series on the Canadian market, SB looks at two influential Montreal chains: Provigo, whose Maxi store is a stylish super warehouse, and Metro Richelieu, whose Super Carnaval tries to be all things to all people.

NONFOODS BUSINESS* OPPOSITE PAGE **44**

GM/HBA MERCHANDISING: WHO DECIDES THE MIX?/FRANK HAMMEL **5B**

Although large store formats enhance flexibility at store level, most key merchandising decisions are still made at headquarters.

WITH ITS NEW LARGE NONFOODS SECTION, P&C PUTS ITS BEST FOOT FORWARD/KEVIN COUPE **11B**

P&C's newest store serves as something of a nonfoods experiment.

PRICE CHOPPER PUSHES ITS NONFOODS 'MAGNET'/KEVIN COUPE **22B**

Price Chopper's newest combo store offers a broad range of nonfoods items, and it markets them with both segregation and integration of GM and HBA.

SAMI UPDATE ..... **33B** **NEW PRODUCTS** **37B, 38B**

*In selected editions only

INSTORE BUSINESS **45**

RETAILERS STRIVE TO BALANCE SERVICE & SELF-SERVICE **51**
FRANK HAMMEL

A short supply of labor, and consumer distaste for peak-hour deli lines, may mean a move towards more self-service. But observers warn against going too far.

P&C MARKETS ITS DELI WITH PANACHE AND CHARM/KEVIN COUPE **57**

In its newest store, P&C made a giant step into the restaurant business.

FROM FAJITAS TO SUSHI, FIESTA MART'S FARE HAS AN ETHNIC FLAIR/BOB HUGHES **60**

This Fiesta Mart caters to its diverse clientele with two popular service counters.

NEW EQUIPMENT **64**

CHECKOUT: SAFEWAY SETS THE STAGE FOR 'INNERSPACE'/KEVIN COUPE **86**

A new comedy gets comic mileage out of the role of a Safeway assistant manager.

OTHER FEATURES AND DEPARTMENTS:

EDITOR'S VIEW **5**
TRADESCAN **9**
TECHNOLOGY **19**
STORE PLANNING **21**
PRODUCE **69**
ON MARKETING **74**
CALENDAR **75**
NEW PRODUCTS **76, 77**
THE JUNE CONTEST:
LIST OF CORRECT ENTRIES **80**
THE AUGUST CONTEXT **85**
AD INDEX **85**

the visible fat off of meat cuts; an increase in selling boneless cuts of meat; the development of meats with less internal fat; the growing popularity of chemical-free meats (those raised without bulk-increasing antibiotics, for example); new precooked meat products sold from the fresh meat counter; cold cuts with less fat; case-ready meat cuts (ready to be displayed directly from the packer, rather than prepared in the back room), and new technology that prolongs the shelf-life of fresh meat.

Eat no fat

John Allen considers the program of trimming visible fat to a quarter of an inch on meat cuts to be the most significant development of the past year in the meat industry. "The norm now is the quarter-inch trim," he says. "A year ago, there were some initiative in experimenting with the close trim. Now, everybody's on board.

"With this fat trim, what people have recognized, was that with beef, the meat itself was not the problem. Fat was the problem. It's a magic phenomenon when you walk into the store and instead of seeing a lot of white, you see a lot of red. It reinforces the NutriFacts program, where the message is that meat has a lot going for it." (An article on retailer reaction to the NutriFacts program and other meat merchandising tools accompanies this story.)

A further development in this area is something called

Continued on page 73

MEAT RETAILING

BEEF PROMOTIONS– ARE RETAILERS PARTICIPATING, AND IS THE PUBLIC BUYING?

The "Meat Features" program of point-of-purchase videotapes on preparing single cuts of meat has gotten mixed reviews from retailers.

BY DAVID LITWAK & LAUREN LEKOSKI

America has traditionally been thought of as the land of meat and potatoes, a place where special occasions are more likely to be celebrated with a steak dinner than with a bottle of champagne. In the last five years, a change has begun to take place in our eating habits—the whitening of America's meat tastes. It has previously been well documented by SUPERMARKET BUSINESS. Sales of red meat have slowed in growth and in most cases declined in the last couple of years while sales of poultry and fish have increased.

The various segments of the meat industry have been forced to adopt promotional strategies in an attempt to bolster sales. Pork producers, for instance, have begun a campaign aimed at pointing out that pork when cooked turns as white as any poultry. Beef, by definition the ultimate red meat, does not have the luxury of relying on similarities in shading with chicken, and has to rely on other promotional strategies. The strategy picked—public awareness of the nutritional attributes of beef, and programs aimed at reducing the negative effects of fat and cholesterol.

The main vehicles for beef's message have been two instore promotional campaigns: "Meat NutriFacts," and "Meat Features," and a national advertising campaign—"Beef. Real Food for Real People." "Meat NutriFacts," a promotional and educational campaign that is a joint effort of the Meat Board, American Meat Institute, and the Food Marketing Institute, has been in effect since May of 1985.

The aim of the program is to provide consumers with nutritional information about various types and cuts of meat. According to Tom Flaherty, coordinator of retail programs for the National Live Stock and Meat Board, "Twenty-five to twenty-six thousand supermarkets use the program (Meat NutriFacts) nationwide." Instituted in May 1986, the National Live Stock and Meat Board's "Meat Features" program offers a series of point-of-purchase videotapes on preparing single cuts of meat.

Beginning in January 1987, the "Beef. Real Food for Real People" television and print advertising campaign presented spokespeople James Garner and Cybill Shepherd expounding on the virtues of beef, and their own use of the product. This campaign, which is funded by a checkoff of $1 for each head of cattle sold that was authorized by an act of Congress, has a budget of $30 million.

Since some of these programs have been in effect for over a year, SUPERMARKET BUSINESS surveyed retailers across the country on their participation in the programs, their perceptions of changes in consumer attitudes, and changes in beef sales over the period in which the programs have been in effect. The retailers we spoke to included meat directors, buyers, and meat merchandisers, i.e., the people working directly with beef and those responsible for implementing these programs.

Program use and effects

"We have been participating in the "Meat NutriFacts" program for two years, and it is beneficial to both us and the consumers," says Don Newsom, director of meat operations for Consumers Markets Inc.

The Springfield, Mo., chain's experience with the "Meat NutriFacts" program appears similar to the opinion of about half the retailers that SUPERMARKET BUSINESS talked to. In all, we found that 61 percent of the retailers were currently participating in this program, and a further 65 percent reported participation by their local competition.

These participation figures are somewhat lower than those

reported by the National Live Stock and Meat Board quoted earlier. Providing consumers with information on what they are buying, and seeing the program as an additional public service are the reasons most often cited for participation. Dan Bird, a meat buyer for Dillon Stores (Hutchinson, Kan.) summed up Dillon's participation this way: "Consumers always question the value of cuts of meat, so we do it because it's a consumer service."

Retailer criticisms

Retailers on the other side of the issue are as vocal in their criticism of the programs. The opposition to the program also cites two basic factors: cost and space requirements. In terms of cost, retailers complain that they have to buy each of the meat brochures and recipe cards separately, and that they must supply their own artwork for the accompanying signage. The Meat Board cannot estimate how much it would cost an individual retailer to actively participate because it sends retailers weekly information packets, and it is up to the retailer to incorporate any part of that information into their individual programs. For a large chain that actively participates, the costs could easily run well into the five- or six-figure range.

Space and store image is even more of an individual retailer decision. One director of meat sales for a medium-sized midwestern chain puts his company's decision not to participate in the program this way: "Part of our merchandising standards is clutter-free aisles; we don't want the cluttered look. We operate in an upscale market, and don't like to have more signs hanging from the ceiling to distract customers away from the foods."

Retailer reaction to the "Meat Features" program, an effort to educate consumers about various cuts of meat through point-of-purchase video displays, runs parallel to those on the "Meat NutriFacts" program. Those retailers that favor the program feel that it is both a public service, and a way to encourage consumers to increase their use of meat by showing them new ways to prepare it, or acquaint them with

Continued on page 32

Company Participation in Promotional Programs

	Their Company		Their Competition	
	Yes	No	Yes	No
Meat NutriFacts	61%	39%	65%	35%
Meat Features	69	31	71	29

Instore meat promotional programs are popular with retailers—over 60 percent of those surveyed participate in one or more, with the majority reporting that their competition also participates.

Reported Changes in Beef Sales During Period When Promotional Programs Have Been in Effect

	Sales 1986 vs. 1985	Sales Jan-May 1987 vs. Jan-May 1986
	% Reporting	% Reporting
Sales Increased	47%	42%
Sales Decreased	41	29
No Change	12	29
Average Reported Increase	4.2	3.3
Average Reported Decrease	6.5	4.7

The promotional programs have been associated with mixed results in terms of beef sales, with 47 percent of retailers reporting increased sales, while 41 percent report a drop in beef sales while promotions are running.

Perceived Consumer Reactions to Programs

	Yes	No
Any Noticeable Changes in Consumer Perceptions of Meat	44%	56%
Noticed Consumer Reaction to TV/Print Campaign	33	67

Consumer attitudes toward meat may have changed in some cases because of the promotional and advertising programs, according to retailers, although the majority report not noticing a change.

Retailer Use of Special Meat Merchandising Techniques

	Yes	No	Considering
Adopted Trimming Fat (to 1/4 or 1/8 inch) Policy	72%	28%	—
Sells Branded Fresh Beef	11	61	28
Sells "Natural" or "Grassfed" Beef	22	67	11

"Where's the fat?" appears to be the slogan these days as 72 percent of retailers surveyed have adopted trimming policies of cutting fat to ⅛- or ¼-inch.

What Else Should the Industry be Doing to Increase Sales?

- Promote higher quality instead of lean meat.
- Improve quality levels.
- Merchandise leaner cuts.
- Increase specialized cuts.
- Have better control on herd population to keep up with demands.
- Better facts are needed to educate consumer on cholesterol and other health aspects.
- More educational demos and Point of Purchase materials are needed.

Leaner cuts and improved quality are among those things that the industry should be working on to increase beef sales. Leadership in these efforts should come from producers, retailers said.

Needed Improvements in Promotional Programs

- The programs should be furnished to the stores at a reduced rate or no cost at all.
- More educational demos are needed.
- Recipe cards used in conjunction with programs.
- NutriFacts should be changed once a year using new colors and signage.

Updating the "Meat NutriFacts" and "Meat Features" content on a more frequent basis are suggestions for improving these programs and are a way of keeping consumers interested.

Continued from page 29

different cuts.

The survey found that 69 percent of the companies surveyed were using the Meat Features program, and 71 percent indicated that their competition was using it. "It (Meat Features) appears in many area ads, and it serves to increase the store's meat mix by promoting different cuts. The program is doing quite well," according to Mike Zecca, meat director of Fisher Foods. He adds that the program has helped increase the contribution beef makes to sales by .5 percent at his Bedford Heights, Ohio store.

"Meat Features" has its detractors too. The main argument against its use is cost. Because of the need for video playback equipment, and the purchase of the tapes, the cost can be high. "The beef industry is not doing much to help with these promotions. They are too costly," says David Young, meat merchandiser with Marsh Supermarkets (Yorktown, Ind.).

"We must buy each video ourselves, which costs $50. We cannot buy one copy and duplicate it for all our stores. They (National Live Stock and Meat Board) will not allow it. I feel that they should furnish these programs to us. If we did buy them it would cost us over $75,000." Cost was one factor that caused another retailer, Dillon Stores, to drop the "Meat Features" program. Dillon's Dan Bird recalls, "We were participating, but did not feel that the return on investment of the program was adequate." While he declined to quote an exact figure, he does say equipment and program costs were quite high.

Retailers cite another problem with the program, that of the video equipment itself. It was noted that placing video players and monitors over meat cases, especially multi-deck cases, is often awkward and difficult. One retailer commented that video machines tend to have short life expectancies when kept perched over a 35-degree open meat case.

The ultimate goal

Changes in consumer habits are the ultimate goal of these campaigns, and of the national "Beef. Real Food for Real People" advertising campaign. More than half the retailers that SUPERMARKET BUSINESS talked to saw no real change in their customer's perception of beef as a result of these campaigns. In terms of the two instore programs, only 44 percent of the retailers said that they noticed any change in their consumers perception of meats during the promotional campaigns, while 56 percent saw no change. The advertising campaign had even less impact; two-thirds of the retailers noticed no consumer reaction to the "Beef. Real Food for Real People" ads. According to the director of meat sales of a midwestern chain, "The commercials are not taken seriously, and I have not heard any positive comments."

The formal evaluations by the programs' industry sponsors do indicate that they have been effective in changing consumer perceptions to some degree. A study done by an independent research firm for the joint sponsors of the "Meat NutriFacts" program found that 79 percent of the consumers polled were aware of the program.

Further, the study found that 66 percent of the people who were aware of the program currently used nutritional information, and that 80 percent found the information in the "Meat NutriFacts" program to be useful.

Changes in consumer attitudes

A similar awareness study was done for the Beef Industry Council on the "Beef. Real Food for Real People" campaign. This study looked at awareness and attitude changes after the first six months of the campaign. Basically the study found that about a third of the people were aware of the campaign. The study also found a preliminary indication that consumer attitudes of how beef fit in with a diet that stressed leaner foods were slowly changing. According to the report, those consumers indicating that beef was an important part of their diet increased from 51 percent to 56 percent, while those who believe that beef fit into a reduced fat diet increased from 32 percent to 38 percent. These figures, if they are true, could signal a return from the negative image that beef has gotten in the past few years.

Consumer awareness and perceptions of beef's place in diets are all well and good, but consumer behavior is what's crucial. Beef is the single largest selling category in our industry, accounting for 7.6 percent of all grocery sales. Tom Flaherty of the National Live Stock and Meat Board reminds those who claim sales increases cannot be tied to the programs that, "those who just participate to sell more meat are not successful. They must understand that it is a nutritional program for consumers, not only to help them sell more meat."

It may be good to call the programs educational and a consumer service, which they certainly are, but ultimately these programs are about increased beef sales, and maintaining its market share in the fresh meat category. Let's face it: as fond as it is of educating the American people, Congress does not often approve an automatic checkoff, and cattle producers do not voluntarily contribute millions of dollars unless they are trying to protect something that is very important to them and the entire food industry. The question becomes a simple one—do these programs have an effect on beef sales?

According to the retailers with whom SUPERMARKET BUSINESS spoke, the answer is, yes. Although no direct causality can be proved between any one, or all the programs and sales, the following results are a good indication of such a connection.

Forty-seven percent of the retailers reported that beef sales increased in 1986 versus 1985 (when "Meat NutriFacts" and "Meat Features" were in effect). During this same period 41 percent reported a decrease in sales, while 12 percent saw no change. The average increase for this period was 4.2 percent, with those retailers whose sales declined reporting an average reduction in beef sales of 6.5 percent.

Once into 1987, the sales increase is more noticeable. Sales between January and May of 1987 were higher for 42 percent of the retailers than they were during the same five months of 1986. Only 29 percent of the retailers reported lower sales for the five months in 1987, compared to 1986. The average sales increase was 3.3 percent. The promotional effort in the five months of 1987 was bolstered by the addition of the "Meat Features" and "Beef. Real Food for Real People" campaigns, which weren't in effect during the first five months of 1986.

Beef sales increasing

The results of the SUPERMARKET BUSINESS survey show that while beef sales generally tend to be encouraging, there is still a tendency for some individual retailers to have a decrease in sales. In order to get a clearer picture of what the trend actually is we need to look at a national sales figure. According to the SUPERMARKET BUSINESS 40th Annual Consumer Expenditures Study, to be published in September, beef sales have definitely increased in 1986 over the 1985 levels. Beef sales across all retail outlets, excluding food service, rose 0.7 percent to $35,310,076,000, and beef sales through grocery outlets rose by 0.8 percent to $21,366,755,000. These increases reverse the decrease in sales that beef suffered in 1985, when sales fell −0.9 percent across all outlets and −0.8 percent in grocery outlets. This reversal is significant given the sheer magnitude of the dollars involved. Beef has been the only non-poultry meat that managed to increase sales in 1986; pork, lamb, and veal all had sales declines over their 1985 levels.

Other factors

These three promotional programs cannot be given all the credit for reviving beef sales. Other programs also had their effect on sales. The most universally employed of these programs is the "Trim Program". This is a meat trimming program that is officially sponsored by the National Live Stock and Meat Board, but most retailers have adopted some sort of trim program of their own.

These programs have two effects. First, they reduce consumer concerns about excess fat by trimming most of the exterior fat away, and second, they make beef a more attractive buy to the consumers.

Marsh Supermarkets' David Young comments on his company's trimming policy this way: "We've had it over a year. It's been very good. The beef sales have leveled off. Up until we introduced it, we were show-

Continued on page 73

P&C 11B

NONFOODS BUSINESS

INSIGHTS FOR MANAGEMENT AND THE GM/HBA SPECIALIST

GM/HBA MERCHANDISING: WHO DECIDES THE MIX? 5B
FRANK HAMMEL

Larger store formats should mean more muscle for store-level decisions on stock and price, but regional advertising and bulk purchasing considerations mean that in most cases, the headquarters still call the shots.

WITH ITS NEW LARGE NONFOOD SECTION P&C PUTS ITS BEST FOOT FORWARD/KEVIN COUPE 11B

P&C Foods has given over almost 40 percent of the selling space in its new Cicero, N.Y. store to nonfoods. Company officials call the format "an experiment," but it's a bold one for an operation that also calls itself "a traditional chain."

PRICE CHOPPER PUSHES ITS NONFOODS 'MAGNET' 22B
KEVIN COUPE

Price Chopper's newest unit in DeWitt, N.Y. put a large GM and HBA department—a virtual store within a store—at the center of the operation, but didn't stop there. There's also a new travel agency, photo lab and upscale fragrance department.

SAMI UPDATE 33B

NEW PRODUCTS 37B

PRICE CHOPPER 22B

SAMI UPDATE

HBA Achieves Best Dollar Gains of All Product Departments in May Despite Modest Unit Volume

BY ALAN B. MILLER JR.

Specialty items with higher price tags fueled May sales gains. Among the hot products for summer were suntan lotions, lip care products and skin aids.

May was pretty much a ho-hum month for sales for all five product departments. The largest four-week gain for the period (the 28 days ending May 22, 1987) compared to the corresponding period in 1986 was a mere 1.8 percent for dry grocery nonfood products. Refrigerated food sales enjoyed a gain of 1.5 percent, just half the gain rate of 3.0 percent for this 12-week reporting period.

The smallest gains were recorded in the dry grocery-food (+ 0.1 percent) and frozen food departments (+ 0.2 percent). In all product departments combined, the increase amounted to 0.6 percent, just under the trend of 0.7 percent on both a 12-week and full-year basis.

The winners and losers

Part of the reason why dollar sales of health and beauty aids (HBA) gained more than unit sales (+ 4.7 percent versus + 1.1 percent) can be attributed to changes in the product mix rather than price increases. Many of the new health and beauty aids products are specialty items that bear a higher price tag than established brands. Antiseptics, for example, recorded a 12.2 percent improvement in unit sales, but dollar volume zoomed 27.1 percent. Sales of mouthwashes were ahead 2.6 percent on a unit basis, but climbed 13.7 percent in dollars. And internal analgesics, despite a loss of 4.4 percent in units, gained 1.4 percent in dollars. Antacids also showed a unit volume loss (-1.9 percent), but higher sales in dollars (+ 5.6 percent).

Gains and losses for product groups were divided at four each. The highest gain rate was a 9.6 percent jump in the sales movement of skin care aids, followed by a 4.1 percent increase among first-aid items and a 3.9 percent improvement for deodorants. The highest loss rate among product groups was 3.6 percent in the case of shaving needs. The score for product categories was 27 winners to 25 losers counting two categories, dental aids and natural vitamins, minerals and supplements, which are not shown in the accompanying table because two full years measurement by SAMI have not yet been completed. However, there were 11 HBA product categories with gain rates in excess of 10 percent as opposed to only four with double-digit loss rates.

The best trend for product categories was found on suntan lotions and oils—a four week jump of 24.7 percent (+ 35.1 percent on a dollar basis). The worst trend was a loss of 27.3 percent for appetite suppressants.

Two of the baby needs categories registered gains over the corresponding period a year ago: baby oils, creams and lotions (+ 3.7 percent), and nursing supplies (+ 1.4 percent). The four-week trends for both baby powders and infant clothes were weaker than for the most recent 12 weeks or on an annual basis. There have been no important new product introductions among baby needs in recent months to help swell volume in these categories.

Stick deodorants selling well

As has been the case for some time, the sales vitality among personal deodorants has been tripled by stick deodorants and antiperspirants. New Lady Mitchum stick by Revlon has contributed considerable volume in this category since its introduction in April of this

SAMI UPDATE

HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 3/27/87	4 WEEKS ENDING 4/24/87	4 WEEKS ENDING 5/22/87
BABY NEEDS	**+ 1.5%**	**– 5.5%**	**– 0.8%**
Baby Powders	+ 8.7	– 3.2	– 4.9
Baby Oils, Creams & Lotions	+ 6.1	– 3.0	+ 3.7
Infant Clothes	–20.6	–20.2	–23.3
Nursing Supplies	– 1.4	– 5.8	+ 1.4
DEODORANTS	**+ 1.0%**	**+ 2.5%**	**+ 3.9%**
Sprays	– 8.1	– 7.1	– 3.7
Roll-Ons	– 7.6	– 4.4	– 0.8
Stick Deodorants & Pads	+ 8.0	+10.9	+12.7
Creams	–11.9	–15.2	–14.8
Deodorants & Talcum Powders	– 5.2	– 9.9	– 7.1
Feminine Hygiene Deodorants	+ 1.4	– 6.8	– 6.4
Foot Deodorants & Athlete's Foot Remedies	+ 5.4	– 2.7	+10.2
Feminine Douches	+17.0	+17.7	+ 5.8
FIRST AID	**+ 4.8%**	**– 6.0%**	**+ 4.1%**
Antiseptics	+11.4	– 1.4	+12.2
First Aid Products	+ 3.1	– 7.3	+ 1.7
HAIR CARE NEEDS	**+ 6.3%**	**– 0.8%**	**0.0%**
Shampoos	+ 1.9	– 4.4	– 4.7
Hair Sprays	+20.8	+11.6	+12.0
Hair Conditioning Rinses	+ 4.8	– 4.7	– 4.5
Hair Setting Needs	+ 6.8	– 0.7	+10.6
Home Permanent Kits	– 9.1	– 2.7	– 3.4
Hair Coloring	+ 4.5	– 5.7	– 1.1
Hair Dressing Needs	– 4.3	– 3.7	– 2.9
ORAL HYGIENE	**+ 7.8%**	**+ 1.8%**	**+ 2.3%**
Toothpastes & Powders	+ 0.8	+ 1.4	+ 2.2
Mouthwashes	+33.5	+ 2.3	+ 2.6
Breath Fresheners	+11.3	+ 1.2	– 4.9
Denture Cleaners	– 0.1	– 3.2	+ 1.2
Denture Adhesives	– 0.6	– 2.9	– 2.0
Toothbrushes	+ 8.7	+ 6.0	+ 4.8
PROPRIETARY REMEDIES	**+ 0.6%**	**– 0.5%**	**– 0.8%**
Antacids	+ 1.3	– 0.7	– 1.9
Internal Analgesics	– 9.2	– 6.4	– 4.4
External Analgesics	– 4.3	–15.9	– 2.4
Cold Remedies	+15.9	+10.5	+10.8
Nasal Sprays—Drops—Inhalers	+ 8.7	+ 7.9	+ 0.6
Chest Rubs	– 1.1	+ 1.1	– 9.5
Cough Remedies	+ 2.1	+ 5.7	– 2.8
Laxatives	+ 2.0	– 4.2	+ 0.4
Sleeping Aids	– 1.6	+18.9	+16.3
Tranquilizers	–15.7	–15.0	– 8.4
Synthetic Vitamins	+ 3.4	+ 1.1	– 3.5
Eye Care Products	+19.6	+12.1	+14.7
Appetite Suppressants	–11.7	–20.9	–27.3
SHAVING NEEDS	**+ 4.9%**	**– 6.6%**	**– 3.6%**
Shaving Creams	+ 2.5	– 4.7	+ 6.2
Pre-Shave Lotions	+ 2.2	– 6.6	– 3.8
After-Shave Lotions	+ 9.3	+ 3.3	– 4.8
Razor Blades	+ 5.6	– 8.3	– 7.2
Razors & Blades	– 1.0	–11.7	– 7.3
SKIN CARE AIDS	**+14.1%**	**+ 8.7%**	**+ 9.6%**
Hand & Body Creams & Lotions	+20.0	+ 7.8	+ 8.0
Facial Preparations	– 3.1	–11.1	–10.6
Lip Care Products	+41.1	+34.9	+19.7
Suntan Lotions & Oils	–11.1	+ 7.9	+24.7
Cosmetic & Medicated Skin Aids	+11.2	+10.1	+13.6
TOTAL ALL CATEGORIES	**+ 4.3%**	**– 0.2%**	**+ 1.1%**

year. The new Lady Mitchum roll-on volume was not sufficient to bring about a gain in category volume, although this 12-week loss rate of 4.2 percent improved to a minus 0.8 percent on a four-week basis.

Two other deodorant categories showed plus signs: foot deodorants and athlete's foot remedies (+ 10.2 percent) and feminine douches (+ 5.8 percent). Spray deodorant four-week volume was off 3.7 percent and losses occurred in the smaller volume categories of cream deodorants (-14.8 percent), deodorant and talcum powders (-7.1 percent), and feminine hygiene deodorants (-6.4 percent).

Gains in first aid

There were gains in both of the first aid categories tracked by SAMI. First aid antiseptics moved forward 12.2 percent, helped in part by the May introductions of Dermarest by Commerce Drug in 19 SAMI markets. First aid products (bandages, cotton balls, gauze, etc.) had a gain amounting to 1.7 percent representing an important improvement over this 12-week period where a loss of 0.9 percent is seen.

The sales movement of hair care needs was down less than one-tenth of a percent as a result of increasing weakness in the high-volume shampoo (-4 7 percent) and hair conditioning rinse categories (-4.5 percent) during this four-week interval. The two categories which prevented a higher loss rate for the product group were hair sprays (+ 12.0 percent) and hair setting needs (+ 10.6 percent). There were no important new products launched in the hair care needs universe during April and May of this year.

The 2.3 percent gain in the oral hygiene product group trails the 4.0 percent increase for the 12 weeks but represents an improvement over the 1 percent loss for the full year ending May 22, 1987. Sales of toothpaste and powder advanced 2.2 percent, a gain that exceeds the 1.5 percent plus for 12 weeks and the loss of 4.6 percent on an annual basis. In April, Oral B Muppets Toothpaste was first marketed in 49 SAMI markets. Mouthwash sales were up 2.6 percent for this month, a significant slowdown from the 12.9 percent upsurge for 12 weeks, and 9.4 percent gain for 52 weeks. There were losses of 4.9 percent and 2.0 percent for breath fresheners and denture adhesives.

Weakness in cold remedies

Eight of the 13 proprietary remedies categories were in the loss column, including the aforementioned 27.3 percent drop for appetite suppressants. Overall, cold remedies were still on the plus side but the trends are not as favorable as they were earlier in the spring of this year. In spite of new volume from ibuprofen internal analgesics, the category is exhibiting weakness. Sales decreased 4.4 percent for the four weeks, only a slight improvement over the 6.7 percent loss rate on a 12-week basis. The best category performance among proprietary remedies was found among sleeping aids (+ 16.3 percent) and eye care products (+ 14.7 percent). Volume of synthetic vitamins fell 3.5 percent but this loss was partially offset by a gain of 4.5 percent for natural vitamins, minerals and supplements.

The only shaving needs category with a four-week unit volume gain in food stores was shaving creams with a 6.2 percent gain. A loss of 7.2 percent for razor blades can be attributed to an absence of important new product activity.

Lip service

The only skin care aids category monitored by SAMI with continuing sales weakness is facial preparations where losses for the four-week period (-10.6 percent), the eight-week period (-8.3 percent) and the 12-week period (-7.6 percent) are observed. The best trend is found among suntan lotions-suntan oils, a gain of 24.7 percent, which is particularly important since it took place at the start of the peak season. The most important new product in this category during the past two months has been Zinka, which was rolled out by Plough Inc. in 19 SAMI markets. Lip care products soared 19.7 percent with a new product with the unlikely name of Zinka Ztick, also produced by Plough Inc., adding sales versus the corresponding period a year ago. Other strong performers in May were cosmetic and medicated skin aids (+ 13.6 percent), and hand and body cream lotions (+ 8.0 percent). ■

MEAT

Continued from page 32

ing a continuing drop in beef sales." Other retailers agree that trimming is beneficial, with 72 percent of the retailers responding indicating that they have a trimming program. Beef suppliers have also gotten into the act, with many selling pretrimmed beef directly to the retailers. Other merchandising trends, such as the sale of branded meats, and the so-called "natural" or "grass-fed" beef do not as yet seem to have caught on enough to have been significant factors in beef's turnaround.

Other than adopting some sort of trim program, retailers seem to be relying on the beef industry to promote the product. None of the retailers that SUPERMARKET BUSINESS spoke to were conducting any promotional or educational programs for beef or any other meat on their own. They were, for the most part, using one of the national instore programs, trimming down the fat, beginning to experiment with branded or "natural" beef, or doing nothing.

Now that beef sales have begun to rebound, retailers have their own ideas on what the meat industry should be doing to help future sales. The major thrust seems to be in three directions: improve the quality of the product in general, promote more lean beef, and disseminate more nutritional and preparation information.

In short, retailers would like the industry to expand on what they have started to do. The questions of what direction to take in achieving these three objectives is still very much up open for debate. Will branded beef improve the quality image of beef? Are trimming programs and the increasing popularity of "natural" beef enough to overcome the issue of beef's fat and cholesterol content? Will beef and other meats simply have to find a common level in the American diet alongside poultry and fish? The answers to these questions will start to come into focus during the next few months and SUPERMARKET BUSINESS will analyze and report on these trends. ■

MEAT

Continued from page 28

"hot-fat trimming," where the carcass, while it is still warm, is trimmed of external fat at the packer. The Monfort Co. (Denver) and Texas A&M are working on this process. One drawback to it, Allen says, "is when you have the fat trimmed, you change the whole characteristic of the carcass. In other words," he says, "you're going to have to uncouple quality grades with yield grades to do this."

The United States Department of Agriculture (USDA) has two grading systems. One is a yield grade system that is designed to determine the amount of edible red meat. The other is a quality grading system, and it is designed to look at palatability attributes, using indicators to estimate palatability. "Today, those two systems are coupled together," says Jim Hodges, fresh meat expert with the American Meat Institute (Arlington, Va.). "If you grade a caracass, you need both the quality grade and yield grade. What AMI and the National Cattleman's Association have asked USDA to do is uncouple those grades. Not to change the standard, but to use yield grade only or quality grade only, depending on the agreement between the buyer aned seller.

"The reason for that is that a carcass cannot be yield graded, if it is trimmed prior to presenting that carcass to USDA for grading, and if it is trimmed you can't get a quality grade. On the yield side, there are four factors that are used as indicators to estimate yield—the largest factor, the one that has the most weight, is the amount of weight or fat over the rib eye. The second factor is the amount of kidney, pelvic, and heart fat. The third is the size of the rib eye and the fourth is hot carcass weight. Those factors are combined in a regression equation to estimate a yield grade. It's numerical from one to five. Five is the animal with most fat, one the one with the least.

"On the quality grade side, quality grades are determined primarily by two indicators," Hodges says. "The primary one is the amount of marbling or intramuscular fat in the rib eye, and the other is the age of the animal as determined by the ossification of the bones. Those two factors combined give you a quality grade. Those quality grades are prime, choice, good, standard, commercial, utility, cutter and canner. All we're asking USDA to do is to remove a regulatory impediment that allows these new innovative processes."

Low yield grade

Bill Parker, vice president-meat merchandising for The Kroger Co. (Cincinnati) is against that whole idea of uncoupling the grades. "It is a way of getting the outside fat off, maybe," he says, "but the thing that bothers me is the low yield grade. If they start putting the yield grade with higher internal fat, we don't want that. For that reason, we've resisted it."

Retailers and manufacturers are, on the whole, optimistic about meat sales not only because of single developments such as fat trimming (although this has been an important advance in the presentation of meat) but because of a combination of product presentation, new products and effective promotion of meat. For instance, Parker says, "Our whole advertising approach to meat has been one of the keys" to Kroger's three successive years of increased meat sales.

"We started a special 'Meat Excellence' program in January 1986, and have since spent in excess of $25 million on this special project. We also have television commercials with our star meat cutter, Alex, a character played by a New York actor. That first broke with our quarter-inch trim program. That was followed by a double-your-money-back guarantee for meat." After that program, Kroger ran television ads that highlighted its toll-free 800 number for meat questions. "The number was on every package of meat sold by Kroger," Parker says, "but not until we promoted it on television did the public respond. We average about 6,000 calls a week. The purpose of the number is to tell people that we're very interested in selling meat. The bulk of the calls are not complaints or anything like that, but requests for information—How do I fix this cut, how do I select meat, I have this package of meat dated yesterday in the refrigerator, can I still use it, etc."

The next phase of Kroger's program will take place over three years. It broke in early August, and it's called NutriNews, a takeoff, Parker says, on the NutriFacts program. "We go further than that," Parker says. "It's a small booklet on beef and poultry, lamb and seafood—everything. It tells how many calories are in each piece, the cholesterol, sodium. It will be advertised on television for three or four months. It's a way to keep people interested in nutrition and other information about meat."

How to prepare meat

"One of the reasons for the general decline in meat sales is of course the whole health perception. But a lot is that the average consumer doesn't know how to prepare meat," Parker says.

That's something that led Kroger—along with its suppliers—to develop pre-cooked meats that are sold from the fresh meat case. Convenience for the consumer is another reason. Parker says that the program has done well enough for Kroger to expand it to 41 items, all with microwave instructions. "Just about any cut available in the fresh meat case, uncooked, is available fully cooked," Parker says.

Other retailers and processors have developed fully cooked products, including Hormel, with its New Traditions line, and Bryan Foods (West Point, Miss.), among whose Gourmet Entrees are fully cooked beef ribs, pork ribs, sliced pork loin with mustard and other items. Even cooked legs of lamb are available from several sources, and Monfort of Colorado is testing a precooked lamb product.

Lamb sales are good, perhaps a result of new advertising pro-

Continued on page 78

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